

CAIR INFORMATION

General Information:

CAIR Annual SO₂

- Annual CAIR SO₂ rule (40 CFR 96.Subpart AAA-HHH) was incorporated by reference and promulgated on September 20, 2006.
- A SIP containing the incorporated rule was submitted to EPA for approval.
- EPA approved SO₂ SIP on July 20, 2007 (72 FR 39741)
- State's primary responsibilities:
 - certify the required CEMs
 - issue CAIR annual SO₂ permits.
 - SO₂ allowances already allocated.

CAIR Annual NO_x (40 CFR 97. Subparts AA-HH)

- Promulgated state rule regarding the method for allocating the state budget and the timing for submitting the allowances to EP on August 20, 2007.
- NO_x allowances generally allocated as per LPSC staff paper.
- Promulgated rule will be included in the Abbreviated SIP
- EPA proposed approval of abbreviated SIP on August 15, 2007 (72 FR 45705)
- Abbreviated SIP
 - New type of SIP
 - FIP covers everything except sections state rule replaces (97.141 & .142)
 - State's responsibilities under abbreviated SIP
 - Allocate allowances
 - Submit allowances to EPA
 - Issue CAIR Annual NO_x Permits

CAIR Ozone Season NO_x (40 CFR 97. Subparts AAAA-HHHH)

- Promulgated state rule regarding the method for allocating the state budget and the timing for submitting the allowances to EP on August 20, 2007.
- Ozone Season NO_x allowances generally allocated as per LPSC staff paper.
- Promulgated rule was included in Abbreviated SIP
- EPA proposed approval of abbreviated SIP on August 15, 2007 (72 FR 45705)
- Abbreviated SIP
 - New type of SIP
 - FIP covers everything except sections state rule replaces (97.341 & .342)
 - State's responsibilities under abbreviated SIP
 - Allocate allowances
 - Submit allowances to EPA
 - Issue CAIR Annual NO_x Permits
- These 3 CAIR programs allow facilities within the state to participate in the CAIR cap-and-trade program for SO₂, annual NO_x and ozone season NO_x and purchase or sell NO_x and SO₂ allowances.

Designated Representative:

- First thing to do: file application with EPA for approval (Section 97.110, 96.210, and 97.310). Pay particulate attention to the certification statement language that must be part of the submittal. Fill out the application on line at <https://camd.epa.gov/cbs/index.cfm>.
- Need one approved by EPA for each program: CAIR SO₂, CAIR annual NO_x, and CAIR ozone season NO_x. Should be same person who is the designated representative for Acid Rain Program and CAMR.
- The state can not allocate allowances or process your permit until there is an EPA approved designated representative for your facility. .

How are allowances allocated:

CAIR Annual SO₂:

- Same as the CAIR SO₂ =Acid Rain allowances (40 CFR 96.202).
- Retirement rate will not always be one to one. Will depend on the year the allowance is allocated. See definition of CAIR SO₂ allowance

CAIR Annual NO_x:

- Louisiana budget for 2009-2012 and for 2013 forward is set by the CAIR Rule (40 CFR 97.140)
- State rule defines method
 - Non-utilities' allocation equal average of the CAIR unit's last three years actual NO_x emissions prior to the control period allowance allocation. The allowances allocated to IPPs and Cogens are subtracted from the total Louisiana budget for that control period.
 - Utilities and Municipals
 - ✓ remaining budget is distributed to regulated facilities based on the last three year's average of the CAIR unit's average heat input prior to the control period allowance allocation.
 - ✓ The allowances are based on the ratio of the average heat input for each unit to the total heat input of all regulated units' heat input.
 - Allocation provisions for
 - ✓ new sources that lack the three years of data required to receive allocations. There are provisions for
 - ✓ LPSC and municipal certified units to receive allocations.

NO_x Ozone Season:

- Calculated in the same manner as NO_x Annual only the data used is the three year average of the NO_x ozone season (May 1 to September 31 of each year) actual emissions.

Permit requirements:

- Need a permit for all 3 programs
- Must be Title V source
- Like Acid Rain Permit; separable from the Title V
- Will be renewed at the same time the Title V is renewed

CAIR Annual SO₂

- Permit application for existing facilities - due 18 months before January 1, 2010.
- Permit application and permit requirements (96.220 – 96.224)
- DEQ is preparing an application form and guidance

CAIR Annual NO_x

- Permit application for existing facilities - due 18 months before January 1, 2009.
- DEQ is preparing an application form and guidance
- Permit application and permit requirements (97.120 – 97.124)

CAIR NO_x Ozone Season:

- Permit application for existing facilities - due 18 months before January 1, 2009.
- DEQ is preparing an application form and guidance
- Permit application and permit requirements (97.320 – 97.324)

Monitoring requirements (Subpart HHH)

CAIR Annual SO₂:

- ✓ Required;
 - Monitor SO₂ mass emissions and individual unit heat input per 40 CFR 75.11 and 75.16.
 - CEM with automated data acquisition and handling system
 - complete all certification tests required under 96.271
 - meet requirements of Subpart HHH and Part 75 that are applicable.
- ✓ Guidance in the model rule on how to comply if the required monitors are not in place. Like Acid Rain requirements

CAIR Annual NO_x

- ✓ Comply with Subpart HH and Subpart H of part 75
- ✓ Certification of monitors (includes data acquisition and handling system):
 - Notify EPA and ;
 - Certification application submitted within 45 days after test. EPA has 120 days to respond
- ✓ Guidance on how to substitute data

CAIR NO_x Ozone Season:

- ✓ Comply with Subpart HH and Subpart H of part 75
- ✓ Certification of monitors (includes data acquisition and handling system):
 - Notify EPA and ;
 - Certification application submitted within 45 days after test. EPA has 120 days to respond
- ✓ Guidance on how to substitute data

Reporting and record keeping requirements

CAIR Annual SO₂:

- ✓ 96.206(e) and Subpart HHH
- ✓ Units operating prior to July 1, 2008, owner/operator shall record, report, and quality-assure the data from the monitors by January 1, 2009.
- ✓ For units that commence operation after July 1, 2008, there is guidance on the date for compliance with the monitoring requirements.
- ✓ Need to retain on site for 5 years from date the document is created (can be extended):
 - Certificate of representation and all documents to demonstrate the truth of the statements in the certificate of representation. These should be retained until superseded by submission of new document
 - All emission monitoring information except where subpart HHH provides for a 3 year retention
 - Copies of all reports, compliance certifications, and other submissions and all records made or required under the CAIR SO₂ Trading Program
 - Copies of all documents used to complete a CAIR permit application or to demonstrate compliance with requirements of the Trading Program
- ✓ Have to be submitted by the designated representative
- ✓ Comply with requirements in subparts F and G of part 75 and requirements of 96.210(e)(1)
- ✓ Quarterly reports are submit to EPA in an electronic form (designated and provided by EPA) and in the manner specified in 75.64. For CAIR units in operation prior to July 1, 2008, the first quarterly reports will cover 1/1/2009 to 03/31/2009. All quarterly reports will be due 30 days following the end o f the calendar quarter covered by the report.
- ✓ If a facility is subject to an Acid Rain emissions limitation or Hg Budget Trading Program, the quarterly reports shall include the data required under the requirements of these sections

CAIR Annual NO_x

- ✓ Record, report, and quality-assure data from the monitoring systems:
 - Units that commence commercial operation before July 1, 2007, by January 1, 2008
 - Units that commence commercial operation on or after July 1, 2007, by January 1, 2008 or by the date given in the guidance
- ✓ Submit monitor data in electronic format to EPA; EPA provides format:
 - Submit quarterly
 - Units operating prior to July 1, 2007, begin reporting for January 1, 2008 – March 31, 2008. Due 30 days following end of calendar quarter.
 - Units commencing operation on or after July 1, 2007, see regulations.
 - Reports include data for Acid Rain program if unit subject
 - Compliance certification with each report
- ✓ Guidance on how to substitute data

Reporting and record keeping requirements (cont.)

CAIR NO_x Ozone Season:

- ✓ Record, report, and quality-assure data from the monitoring systems:
 - Units that commence commercial operation before July 1, 2007, by May 1, 2008
 - Units that commence commercial operation on or after July 1, 2007, by May 1, 2008 or by the date given in the guidance
- ✓ Submit monitor data in electronic format to EPA; EPA provides format:
 - Submit quarterly
 - Units operating prior to July 1, 2007, begin reporting for May 1, 2008 – June 30, 2008. Due 30 days following end of calendar quarter.
 - Units commencing operation on or after July 1, 2007, see regulations.
 - Compliance certification with each report
- ✓ Guidance on how to substitute data

Compliance:

Compliance Account:

- ✓ EPA will manage compliance account by; recording allowances deposits in each control period and recording transfers among and between accounts.
- ✓ DEQ will send the allocated allowances for each control period
- ✓ CEM monitoring submitted to EPA will be used to determine compliance with CAIR
- ✓ Must have enough annual SO₂, annual NO_x, and ozone season NO_x to cover actual emissions of all CAIR subject units at a facility.
- ✓ Allowances may be banked
- ✓ Each CAIR allowance will have a serial number

CAIR Annual SO₂:

- ✓ Deducted SO₂ allowances must equal or exceed actual emissions for a control period. Deduction process:
 - Deduct the allowed emissions for the control period for acid rain program.
 - If during the control period the actual emissions under the acid rain program exceed the allowed emissions, deduct the excess emissions from the remaining allowances in the compliance account for the control period.
 - Deduct the CAIR SO₂ allowed emissions from the compliance account. The allowances deducted for acid rain program allowed emissions in the control period will count toward having satisfied deductions for the CAIR SO₂ allowed emissions. May not need to make any further deductions.
 - Excess emissions: If the actual emissions of SO₂ exceed the allowances for the control period, allowances from the next control period can be deducted until the total equals the overage.
 - Subtract the allowances deduct for excess emissions under the Acid Rain program.
 -

Compliance (cont):

- Multiple the remaining emissions by 3 to equal excess deductions. Deduct the tonnage from future control periods until the deductions equal or exceed the excess deductions.

CAIR Annual SO₂:

- ✓ If actual emissions exceed allowances for the control period, EPA will deduct allowances from the compliance account (beginning in the next control period) until the deductions equal the excess emissions.
 - Rate is 3 times the number of tons of the source's excess emissions minus, the amount of allowances required to be deducted under 96.254(b)(1)(ii)
 - All allowances not worth the same; allowances from 2010 and before retire at one to one. After that retire rate drops. For details see 96.206(c) and (d)

CAIR Annual NO_x

- ✓ Deducted allowances must = or exceed actual emissions for a control period
- ✓ If actual emissions exceed allowances for the control period, EPA will deduct allowances from the compliance account (beginning in the next control period) until the deductions equal the excess emissions. Rate of deduction is 3 times the number of tons of the source's excess emissions

CAIR NO_x Ozone Season:

- ✓ Deducted allowances must = or exceed actual emissions for a control period
- ✓ If actual emissions exceed allowances for the control period, EPA will deduct allowances from the compliance account (beginning in the next control period) until the deductions equal the excess emissions. Rate of deduction is 3 times the number of tons of the source's excess emissions